STATE RISK MANAGEMENT WORKERS COMPENSATION FUND
INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2006

	December-06					September-06				Current FYTD	Prior Year FY06	3 Years Ended 6/30/2006	5 Years Ended 6/30/2006
		Allocation		Quarter	Month		Allocation		Quarter				
	Market Value	Actual	Policy	Net ROR	Net ROR	Market Value	Actual	Policy	Net ROR	Net	Net	Net	Net
LARGE CAP DOMESTIC EQUITY													
Structured Growth													
Los Angeles Capital	165,348	4.1%	4.2%	7.40%	0.16%	157,718	4.0%	4.2%	1.60%	9.12%	11.12%	N/A	N/A
Total Structured Growth	165,348	4.1%	4.2%	7.40%	0.16%	157,718	4.0%	4.2%	1.60%	9.12%	11.12%	N/A	N/A
Russell 1000 Growth				5.93%	0.34%				3.94%	10.10%	6.12%	N/A	N/A
Structured Value													
LSV	183,021	4.5%	4.2%	8.09%	1.93%	173,783	4.4%	4.2%	4.90%	13.39%	15.05%	N/A	N/A
Russell 1000 Value				8.00%	2.24%				6.22%	14.72%	12.10%	N/A	N/A
Russell 1000 Enhanced Index													
LA Capital	346,808	8.5%	8.3%	7.67%	1.05%	314,595	8.0%	8.3%	3.71%	11.66%	11.58%	N/A	N/A
Russell 1000				6.95%	1.28%				5.06%	12.36%	9.08%	N/A	N/A
S&P 500 Enhanced Index													
Westridge	349,431	8.6%	8.3%	6.86%	1.43%	335,928	8.6%	8.3%	5.75%	13.00%	8.77%	N/A	N/A
S&P 500				6.70%	1.40%				5.67%	12.74%	8.63%	N/A	N/A
Index													
State Street	122,815			8.03%	2.51%	116,697			5.78%	14.28%	9.51%	N/A	N/A
Total 130/30	122,815	3.0%	2.8%	8.03%	2.51%	116,697	3.0%	2.8%	5.78%	14.28%	9.51%	N/A	N/A
S&P 500				6.70%	1.40%				5.67%	12.74%	8.63%	N/A	N/A
TOTAL LARGE CAP DOMESTIC EQUITY	1,167,422	28.7%	27.8%	7.50%	1.32%	1,098,721	28.1%	27.8%	4.49%	12.32%	10.95%	N/A	N/A
S&P 500				6.70%	1.40%				5.67%	12.74%	8.63%	N/A	N/A
SMALL CAP DOMESTIC EQUITY													
Manager-of-Managers													
SEI	394,040	9.7%	9.3%	8.82%	0.32%	361,694	9.2%	9.3%	-0.01%	8.81%	13.58%	N/A	N/A
Russell 2000 + 200bp				9.43%	0.50%				0.94%	10.46%	16.86%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	394,040	9.7%	9.3%	8.82%	0.32%	361,694	9.2%	9.3%	-0.01%	8.81%	13.58%	N/A	N/A
Russell 2000				8.90%	0.33%				0.44%	9.38%	14.58%	N/A	N/A
DOMESTIC FIXED INCOME													
Core Bond													
Western Asset	827,837	20.4%	20.7%	2.01%	-0.36%	806,190	20.6%	20.7%	4.45%	6.56%	-0.90%	N/A	N/A
Lehman Aggregate				1.24%	-0.58%				3.81%	5.09%	-0.81%	N/A	N/A
Core Plus/Enhanced													
Clifton Group	188,401	4.6%	4.8%	0.66%	-0.69%	185,957	4.8%	4.8%	N/A	N/A	N/A	N/A	N/A
Prudential	188,662	4.6%	4.8%	1.88%	-0.39%	183,881	4.7%	4.8%	N/A	N/A	N/A	N/A	N/A
Total Core Plus/Enhanced	377,063	9.3%	9.6%	1.27%	-0.54%	369,837	9.5%	9.6%	N/A	N/A	N/A	N/A	N/A
Lehman Aggregate				1.24%	-0.58%				3.81%				
Index													
Bank of ND	348,252	8.6%	9.0%	1.31%	-0.40%	354,587	9.1%	9.0%	3.10%	4.46%	-1.14%	N/A	N/A
Lehman Gov/Credit (1)				1.04%	-0.76%				3.91%	4.99%	-1.52%	1.04%	4.78%
BBB Average Quality													
Wells Capital (formerly Strong)	825,474	20.3%	20.7%	1.75%	-0.69%	805,972	20.6%	20.7%	4.60%	6.43%	-2.11%	N/A	N/A
Lehman US Credit BAA				1.49%	-0.94%				4.80%	6.36%	-2.37%	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	2,378,625	58.5%	60.0%	1.70%	-0.51%	2,336,586	59.7%	60.0%	4.28%	6.06%	-1.39%	N/A	N/A
Lehman Aggregate (2)				1.24%	-0.58%				3.81%	5.09%	-0.81%	N/A	N/A
CASH EQUIVALENTS													
Bank of ND	127,751	3.1%	3.0%	1.32%	0.44%	115,196	2.9%	3.0%	1.35%	2.68%	4.50%	N/A	N/A
90 Day T-Bill				1.26%	0.44%				1.33%	2.60%	4.00%	N/A	N/A
TOTAL RISK MANAGEMENT FUND	4,067,838	100.0%	100.0%	3.98%	0.13%	3,912,197	100.0%	100.0%	3.87%	8.00%	3.25%	N/A	N/A
POLICY TARGET BENCHMARK				3.44%	0.09%				3.94%	7.52%	3.37%	N/A	N/A

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.
(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.